

PUBLIC DISCLOSURE

February 23, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Wright Express Financial Services Corporation
Certificate Number 34697**

**3995 South 700 East, Suite 450
Salt Lake City, Utah 84107**

**Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **Wright Express Financial Services Corporation (WEFS)** prepared by the **Federal Deposit Insurance Corporation (FDIC)**, the institution's supervisory agency, as of **February 23, 2009**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.*

Examiners evaluated the bank's CRA performance using the Intermediate Small Bank (ISB) examination procedures, which became effective on September 1, 2005. An ISB is defined as an institution that had assets of at least \$277 million and less than \$1.109 billion as of December 31st of either of the prior 2 calendar years.

This evaluation relied upon records and reports provided by the bank, publicly available loan and financial information, demographic data, and information gathered as part of the evaluation process, including information obtained from community contacts. A review of FDIC records, as well as the bank's CRA public file, did not reveal any complaints relating to the bank's CRA performance since the previous evaluation.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

WEFS's CRA performance depicts a satisfactory practice of providing for the credit needs of its assessment area. This rating is supported by the following:

The Lending Test is rated: Satisfactory.

- The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Approximately 56 percent (by number) and 71 percent (by dollar) of the bank's loans within its assessment area are originated to borrowers in low- and moderate-income (LMI) geographies.
- The average net loan-to-deposit (ANLTD) ratio of 119 percent (over the last 11 quarters) is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The institution has not received any CRA-related complaints since the previous evaluation.
- No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs was identified.

The Community Development Test is rated: Satisfactory.

- Community development (CD) performance demonstrates adequate responsiveness to community credit needs. CD investments and loans accounted for 1.17 percent of average assets over the review period.
- CD investments and donations demonstrate excellent responsiveness to the credit needs of the assessment area. Qualified investments total \$11,277,000 including qualified donations of \$64,015 since the prior CRA Evaluation in 2006.
- CD loans demonstrate reasonable responsiveness to the credit needs of the assessment area. Qualified loans and commitments total approximately \$652,000.
- CD services demonstrate reasonable responsiveness to the credit needs of the assessment area. Employees, senior management, and members of the Board of Directors have volunteered 425 hours in qualified CD activities on behalf of the bank utilizing their financial expertise.

SCOPE OF EVALUATION

This evaluation utilizes the ISB examination procedures for the time period since the previous evaluation, which was conducted February 27, 2006, through the current evaluation conducted as of February 23, 2009. Examiners evaluated the bank's CRA performance in the context of the following:

- The current economic environment,
- Demographic characteristics of its assessment area,
- Lending opportunities within its assessment area,
- Institution financial resources and constraints,
- Institution product offerings and business strategy,
- Information derived from community contacts, and
- Performance of similarly situated institutions, if any.

ISB procedures incorporate a "lending test" combined with an analysis of the bank's CD activities. To assess the institution's performance with respect to the lending test, the following five performance criteria are analyzed: the bank's quarterly ANLTD ratio; the level of lending within its assessment area; the distribution of lending to businesses of different sizes (borrower profile); the geographic distribution of loans; and the bank's response to any consumer complaints regarding its CRA performance. The lending test focused on the bank's small business loans (business credit cards), as it represents the vast majority of WEFS's lending activities. However, the lending test carries the least amount of weight in this CRA performance evaluation due to WEFS's status as a nationwide lender. WEFS has not received any consumer complaints regarding its CRA performance.

The entire universe of small business credit cards originated during the review period was utilized to determine and analyze the volume of loans originated within the designated assessment area. Examiners based the analysis of small business lending on a representative sample of loans originated in the assessment area. The review period for the small business loan analysis is January 1, 2008, through December 31, 2008. A sample of 34 loans totaling \$514,507 was randomly selected from the universe of small business loans originated in Salt Lake County during this review period with credit line extensions of less than \$1 million. The loan sample was utilized to analyze the geographic distribution of loans within the bank's assessment area.

The bank does not collect revenue data on credit lines of less than \$150,000. Although the loan sample was randomly selected, the sample did not contain any credit extensions greater than

\$150,000. Consequently, in the absence of revenue information, an analysis of the borrower profile was not conducted.

D&B data as of June 30, 2008, is shown for comparative purposes in the analyses of the geographic distribution of loans for the number of businesses located in the bank's assessment areas. The D&B data is based on the geographic location, using 2000 U.S. Census boundaries, for the total number of businesses within the assessment area.

Due to WEFS's status as a nationwide lender, the CD test is given more weight in the bank's CRA Performance Evaluation. In order to evaluate the bank's CD performance, all qualified investments, loans, and services were analyzed for the review period beginning February 28, 2006, to the current date of the evaluation.

DESCRIPTION OF INSTITUTION

WEFS is a state chartered industrial bank headquartered in Salt Lake City, Utah, and is a wholly-owned subsidiary of Wright Express, LLC. As of the December 31, 2008, Consolidated Report of Condition and Income (CALL Report), total assets were \$860,194,000. Net loans and leases make up \$665,260,000 of total assets, or approximately 77 percent. WEFS operates out of a single office in Salt Lake City, with operating hours from 8:00 a.m. to 5:00 p.m. Monday through Friday. WEFS does not offer any retail deposit or loan products to any walk-in customers. The bank's funding sources consist primarily of brokered deposits.

WEFS is a national commercial bank that offers fleet and corporate credit card products for the fueling, maintenance, and servicing requirements of commercial vehicles. In addition to the credit extended, the bank also captures "robust" information from credit card transactions and provides the information to customers. The information that is provided allows the customers to set cardholder limits and to manage corporate expenses. The bank's main credit product is the fleet card. As of December 2008, it comprised approximately 97 percent of the total number of loans. WEFS also offers the following corporate MasterCard: Travel and Entertainment, Purchase Card, and a "One Card" that combines the separate features of the three card programs into one card.

The composition of the bank's loan portfolio is depicted in Table 1. Information from the bank's CALL Report as of December 31, 2008, was used for the table. As indicated, commercial and industrial loans make up nearly 100 percent of the bank's lending portfolio. The portfolio contains loans secured by multi-family residential properties; however, it represents a nominal amount of total loans.

Table 1: Composition of Loan Portfolio as of December 31, 2008

| Loan Type | Dollar Amount (000s) | Percent of Total Loans (%) |
|--|-----------------------------|-----------------------------------|
| Construction and Land Development | 0 | 0 |
| Secured by Farmland | 0 | 0 |
| 1-4 Family Residential | 0 | 0 |
| Multi-Family (5 or more) Residential | 584 | Nominal |
| Commercial Real Estate | 0 | 0 |
| Total Real Estate Loans | 584 | Nominal |
| Commercial/Industrial | 664,676 | 100 |
| Lease Financing Receivables | 0 | 0 |
| Agricultural | 0 | 0 |
| Consumer | 0 | 0 |
| Other Loans | 0 | 0 |
| Obligation of state and political subdivisions | 0 | 0 |
| LESS: Unearned Income on Loans | 0 | 0 |
| Total Loans | 665,260 | 100 |

Source: December 31, 2008 CALL Report

No legal or financial impediments exist which would prohibit the bank from meeting the credit needs of the community. The bank received a Satisfactory rating at the previous CRA Evaluation dated February 27, 2006. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs was identified.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to delineate one or more assessment areas within which regulatory agencies evaluate the institution's record of helping to meet the credit needs of its community and surrounding area. An assessment area must consist generally of one or more metropolitan areas or one or more contiguous political subdivisions, such as counties, cities, or towns, in which the bank has its main office, branches, and deposit-taking remote service facilities. For the purpose and requirements of the CRA, WEFS has one assessment area. WEFS has defined its assessment area as Salt Lake County. Salt Lake County is part of the Salt Lake City, Utah Metropolitan Statistical Area (MSA) #41620 and is located along the Wasatch Mountain front. WEFS operates from one main office located in Salt Lake County. The bank's assessment area includes a total of 193 census tracts (CTs). Of the 193 CTs; 55 are designated upper-income, 90 are designated middle-income, 43 are designated moderate-income, and 5 are designated low-income.

Demographics

Table 2, detailed below, provides information on demographic data for WEFS's assessment area. The demographic data indicates that approximately 8 percent and 23 percent of businesses in the assessment area are located in LMI CTs, respectively. The total population of the assessment area is 898,387 with approximately 1 percent of the population in low-income CTs and nearly 24 percent in moderate-income CTs. The assessment area median family income (MFI) is \$54,586.

| Table 2: Demographic Information for Full Scope Area: Salt Lake County | | | | | |
|---|----------|---|----------------------------|--------------------------|-------------------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # |
| Geographies (CT's)* | 193 | 2.6 | 22.3 | 46.6 | 28.5 |
| Population by Geography* | 898,387 | 0.8 | 23.6 | 48.8 | 26.8 |
| Business by Geography** | 98,629 | 8.0 | 23.0 | 40.6 | 28.4 |
| MFI* | 54,586 | Unemployment Rate * Unemployment Rate (As of 4 th Quarter 2008)*** | | | 2.4% 3.5% |

Source: *2000 U.S. Census, **2008 D&B Data, ***Bureau of Labor Statistics (Haver Analytics)

Economy

Principal industries in the Salt Lake City MSA include but are not limited to state and local government, food service/restaurants, financial entities, and healthcare services. Moody's Economy.com indicates the largest employers in the Salt Lake City MSA, based on December 2008 data, include:

- Intermountain Health Care Inc.
- Huntsman Corporation, LLC
- Zions Bancorporation
- University Hospitals/ Clinics
- Wells Fargo & Company
- Discover Financial Services
- Larry H. Miller Corporation

According to information gathered by D&B for the year 2008, there were 98,629 businesses located within the bank's designated assessment area. Service establishments comprise 35 percent of the total businesses. Other business types include: finance, insurance & real estate at 12 percent; retail trade at 11 percent, and construction at 8 percent. For the fourth quarter 2008, Salt Lake County's unemployment rate was 3.5 percent. The unemployment rate is below the state and national averages of 3.6 and 6.6 percent, respectively.

Competitive Environment

There are a total of 58 banks with offices or branches located in the bank's assessment area. WEFS ranks 29th in deposit market share, holding 0.6 percent of total deposits. However, WEFS is an industrial bank, not a typical retail institution. Many industrial banks use brokered deposits as a primary funding source, as opposed to individualized retail deposits. The use of such deposits inflates the industrial bank market share and can distort the data.

Community Contact/Assessment Area Needs

Several community contacts were made throughout 2008 that targeted credit, other financial services, and community needs within the Salt Lake County assessment area. These contacts were reviewed in conjunction with this evaluation. Due to the nature of WEFS's operations, examiners focused on one community contact that reflected the commercial nature of the bank's loan portfolio. The contact stressed the need for small business credit, start-up capital, and programs for individuals with poor credit histories due to divorce or illness. Although the contact revealed the need for banks to improve their performance in meeting these needs, it was also stated that much of the need is a result of the current economic conditions. The contacts perceive that local banks have tightened credit standards due to the poor economy, thereby decreasing the amount of credit offered to those with poor credit histories.

There are currently no factors adversely affecting the institution's ability or capacity to meet CD needs within the assessment area. There seems to be more opportunities for CD investments as opposed to loans. The ratio of CD loans and investments to average assets during the review period is 1.17 percent. Current qualified investments, as a percentage of current total assets, are at 1.31 percent.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

To determine the bank's CRA performance and assigned rating, ISB procedures were utilized focusing on the bank's CD activities since the previous evaluation and lending test criteria focusing on small business lending within the assessment area. Since a significant majority of the bank's loans are located outside of the assessment area, the majority of weight in this evaluation is placed on WEFS's qualified CD activities. Each of the five lending criteria and the CD activities are discussed in more detail on the following pages.

LENDING TEST: The institution is rated **Satisfactory** for this test

WEFS has a satisfactory lending performance based upon review of the small business lending sample for January 1, 2008, to December 31, 2008. The following sections provide a detailed synopsis of the bank's lending performance.

Assessment Area Concentration

This performance criterion measures the volume of loans originated within the bank's designated assessment area relative to total lending activities. A majority of loans and other lending related activities are outside the institution's assessment area. Table 3 indicates that approximately 99 percent of the number and dollar volume of the Fleet credit card loans were made outside of the assessment area. In addition, just over 99 percent of the number and 96 percent of the dollar volume of MasterCard loans were made outside of the assessment area. Given the nationwide lending emphasis, the volume of lending in the assessment area is reasonable.

| Table 3: Distribution of Total Business Credit Card Loans from January 1, 2008 to December 31, 2008 | | | | | | | | | | |
|--|-----------------|------------|---------------|-------------|---------------|-------------------------------|------------|----------------|-------------|----------------|
| Loan Type | Number of Loans | | | | | Dollar Volume of Loans (000s) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total \$(000) |
| | # | % | # | % | | \$(000) | % | \$(000) | % | |
| Fleet Business Credit Card | 170 | 0.6 | 26,128 | 99.4 | 26,298 | 2,339 | 0.5 | 433,211 | 99.5 | 435,550 |
| Master Card Business Credit Card | 2 | 0.1 | 3,062 | 99.9 | 3,064 | 4,516 | 4.1 | 104,343 | 95.9 | 108,859 |
| Total | 172 | 0.6 | 29,190 | 99.4 | 29,362 | 6,855 | 1.3 | 537,554 | 98.7 | 544,409 |

Source: Bank Records

Geographic Distribution of Loans

Table 4 depicts the bank's performance by geographic distribution of the small business loans made within the bank's assessment area. Also shown, for comparison purposes, is the 2008 D&B data for non-farm businesses within the institution's assessment area. The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Of the 34 sampled small business loans, approximately 24 percent by number, and 51 percent by dollar volume, were made in low-income CTs within the assessment area. Approximately 32 percent by number and 20 percent by dollar volume of sampled small business loans were made in moderate-income CTs. WEFS's performance is well above the D&B levels of 8 percent and 23 percent of small businesses located in LMI CTs.

Table 4: Geographic Distribution of Small Business Loans

| TRACT INCOME LEVEL | PERCENT TOTAL BUSINESSES | NUMBER OF LOANS | % OF # | DOLLAR AMOUNT | % OF \$ |
|-----------------------------------|---|----------------------------|---------------|--------------------------|----------------|
| Low | 8.0 | 8 | 23.5 | 264,500 | 51.4 |
| Moderate | 23.0 | 11 | 32.4 | 101,000 | 19.6 |
| Middle | 40.6 | 10 | 29.4 | 95,500 | 18.6 |
| Upper | 28.4 | 5 | 14.7 | 53,507 | 10.4 |
| TOTALS: | 100 | 34 | 100 | 514,507 | 100 |

Source: Percent Total Non-Farm Businesses: 2008 D&B Data

Loan-To-Deposit Ratio

WEFS's ANLTD ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. This ratio measures the volume relationship of the bank's deposit and lending activity, and how it utilizes these resources to extend credit. WEFS's ANLTD ratio is approximately 119 percent based on the quarter-end ratios since the previous CRA evaluation of February 27, 2006.

During the review period, WEFS's ANLTD ratio ranged from 112 percent at its lowest point (September 30, 2007) to its highest point of approximately 128 percent (as of March 31, 2007). For comparison purposes, a bank's ANLTD ratio is compared to the ratios of similarly situated institutions within the assessment area. WEFS's ANLTD ratio is higher than comparable institutions' levels of 64, 74, and 74 percent.

Lending to Small Businesses of Different Sizes

WEFS does not collect or use financial information in the decision making process on lines of credit of less than \$150,000. The bank primarily relies on business credit score information when deciding to approve or deny an application for credit. However, the bank will obtain and use business financial information for lines of credit greater than \$150,000. None of the sampled loans exceeded \$150,000 at origination and all lacked revenue information. Consequently, an analysis of the distribution of businesses of different revenue sizes could not be performed.

The bank has recently started participating in Small Business Administration (SBA) loan pools, accounting for 3 loan pool participations totaling \$3,956,000 as of December 31, 2008.

Response to Complaints

WEFS has not received any CRA-related complaints since the previous evaluation.

COMMUNITY DEVELOPMENT TEST: The institution is rated Satisfactory for this test.

WEFS's CD performance demonstrates adequate responsiveness to CD needs in the assessment area through CD loans, investments, and services, as appropriate when considering the bank's capacity and the availability of such opportunities for CD in the assessment area. The CD activities assist in meeting the needs for affordable housing, small business financing, financial education, and revitalization and stabilization of LMI areas. In addition, the bank's CD activities also provide services to LMI individuals and "at risk" youth.

Community Development Investments

CD investments and donations demonstrate excellent responsiveness to the credit needs of the assessment area. Qualified investments total \$11,213,000 and qualified donations exceed \$64,000 since the prior CRA Evaluation in 2006.

The institution has targeted affordable housing needs through its CRA efforts. Thus, management has relied primarily on the purchase of mortgage-backed securities where the underlying mortgages are to LMI borrowers in Salt Lake County. Other qualified investments include purchase shares of a state community reinvestment fund (administered by Utah Housing, a non-profit entity). The allocation of assets are primarily mortgage-backed securities and Utah Housing Finance Corporation Bonds (affordable housing bonds), and other grants/donations to non-profit organizations within WEFS' assessment area.

The following table depicts the bank's qualified CRA-related investment and donation activity

during the assessment period:

| Table 5: Qualified CD Investments | | | | |
|--|---------------------|-------------------|-------------------|--------------------|
| Description | Amount (000) | 2006 (000) | 2007 (000) | 2008 (000)* |
| FNMA Pool 743668 | 288 | 288 | | |
| FNMA Pool 753458 | 991 | 991 | | |
| FNMA Pool 754238 | 775 | 775 | | |
| FNMA Pool 694532 | 370 | 370 | | |
| FNMA Pool 809326 | 891 | 891 | | |
| FNMA Pool 893657 | 2,036 | | 2,036 | |
| FHLMC Pool | 1,446 | | 1,446 | |
| State Housing Bonds | 400 | | 400 | |
| The CRA Fund | 4,016 | 3,199 | 651 | 166 |
| Total Equity Funds | 11,213 | 6,514 | 4,533 | 166 |
| Grants & Donations (51) | 64 | 19 | 18 | 27 |
| Grand Total Investments | 11,277 | 6,533 | 4,551 | 193 |

Source: Bank Records *2008 only – No Investments made in 2009 prior to the CRA Evaluation

Investment activity slowed considerably during 2008-09, primarily due to the economy slowdown and resulting asset reduction at the bank level.

CD Lending

CD loans demonstrate reasonable responsiveness to the credit needs of the assessment area.

WEFS is a member of the Utah Community Reinvestment Corporation (UCRC). UCRC is a multibank Utah non-profit organization that provides financing for multi-family housing to LMI

individuals and families throughout the State of Utah. As a member bank, WEFS participates in loans offered by UCRC. WEFS has participated in 16 loans totaling \$152,000 during the review period. The UCRC maintains a revolving loan fund. WEFS has a \$750,000 (revolving) commitment to the corporation with nearly \$152,000 distributed during the review period. Many of the UCRC projects have provided funding within Salt Lake County. The bank also has an outstanding \$500,000 loan commitment to a local neighborhood housing service.

The following table demonstrates the bank's commitment to CD needs through qualified loans:

| Table 6: Qualified CD Loans | | | | |
|------------------------------------|---------------------|-------------------|-------------------|--------------------|
| Description | Amount (000) | 2006 (000) | 2007 (000) | 2008 (000)* |
| Total UCRC (16 loans) | 152 | 58 | 30 | 64 |
| NHS | 500 | | 500 | |
| Total CD Loans (17) | 652 | 58 | 530 | 64 |

Source: Bank Records *2008 loans only; no loans were made in 2009 prior to the CRA Evaluation

The following are two examples of loans the bank has participated in during the review period for properties located in Salt Lake County:

- A \$350,000 loan for the development of 8 two-bedroom apartments in 2 four-plex units of side by side town homes. The properties are used for transitional housing for low-income and/or homeless women and children. WEFS's participation totals \$5,000.
- A \$162,000 loan (2008) for the development of a six-plex to house physically and mentally challenged LMI residents. WEFS's participation totals \$5,000, and was preceded by another \$5,000 loan made to this same entity in 2007 for a line of credit.

Community Development Services

WEFS employees contributed a total of 425 qualified CD service hours for the review period. Many of these service hours include the provision of Board service to a local charitable organization and employee "financial education" training in public schools.

Table 7 provides data showing the levels and areas of bank-provided assistance to qualified CD organizations:

| Table 7: CD Services | | | | |
|--|-------------|-------------|-------------|--------------|
| Qualifying Services | 2006 | 2007 | 2008 | Total |
| Affordable housing | | 10 | | 10 |
| Credit education and financial education | 10 | | | 10 |
| Education/capacity building | | | 106 | 106 |
| LMI homeless and/or abused women's shelter | 3 | | | 3 |
| Financial education for children | 58 | 36 | | 94 |
| Other qualified entities or activities | 62 | 111 | 29 | 202 |
| Total Overall Hours | 133 | 157 | 135 | 425 |

Source: Bank Records

Fair Lending or other Illegal Credit Practices

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.